



January 23, 2015

Pace Picks up as IACT Team Works with Many Legislators

The pace of this session picked up during the third week as all bills filed by lawmakers made their way into the system. The legislative team has been working with many, many legislators in hopes of finding solutions to their specific concerns and avoiding legislation with unintended or broad consequences. We encourage you to read this week's edition of Legislative Summary thoroughly to ensure you're armed with great information about broadband, annexation, property tax appeals and more. This will help when you see your senators and representatives back home this weekend!

IACT Initiatives

Now is the Time to Contact Your Legislator!

HB 1368 Uniform Municipal Food and Beverage Tax (Price, R-Greenwood; Morrison, R-Terre Haute)

Both Chairman Price and Representative Morrison expect a caucus discussion to take place next week regarding the fate of this piece of legislation that levels the playing field for all cities and towns in Indiana. Please reach out to your legislator today via email or a phone call and ask them to support HB 1368 that gives statewide authority for locals to participate in a local discussion about the future of their communities. Not sure who represents you at the Statehouse? Click on the following link to find your legislator: <http://iga.in.gov/legislative/find-legislators/>.

IACT Position: Support

IACT Initiative Voted Out of Committee

SB 118 Property Tax Appeals (Kruse, R-Auburn; Head, R-Logansport)

One of IACT's 2015 Legislative Initiatives was unanimously voted out of the Senate Committee on Local Government on Wednesday after being amended. For each property tax assessment appeals of commercial or industrial property, the county assessor is required to compile a list of affected taxing units and information about the taxpayer and the property's assessed value. The county assessor is required to make this information available for the inspection of the fiscal officer of each of the affected taxing units and to update this list no later than the 15th of each month. SB 118 will now be heard on the House floor for 2nd reading sometime next week.

IACT Position: Support

Bills we're Engaged In

"Shovel-Ready" Concept for Broadband Ready Communities Passes Committee

HB 1101 – Broadband Ready Communities (Koch, R-Bedford)

Lt. Governor Sue Ellspermann led a group of industry representatives last summer in discussions to identify ways to encourage greater broadband deployment and access in rural areas of the state. HB 1101 was inspired in part by the workings of the Rural Broadband Working Group (read report [here](#)). Rep. Eric Koch (R-Bedford) invited IACT and county representatives to come together last fall to provide input into this shovel-ready concept. HB 1101 establishes a Broadband Ready Communities Development Center within the IEDC and provides a new designation of “Broadband Ready Community” for units of local government who wish to participate. To be designated a Broadband Ready Community, a local government may opt in by complying with certain procedures for reviewing applications and issuing permits for broadband communications projects. IACT testified in support of this proposal, which allows communities the option of participating and the opportunity to stand out with the hope that doing so will encourage greater broadband investment. The bill passed House Utility Committee unanimously and now heads to the House floor for 2nd Reading.

IACT Position: Support

Changes to Local Permitting of Wireless Towers Passes Out of Committee

HB 1318 – Communications Services and Providers (Koch, R-Bedford)

Rep. Koch and wireless industry reps convened several meetings with IACT and county representatives over the last few months to work on this proposal. We appreciate Rep. Koch’s inclusion of local government early on in these discussions. We also appreciate the many members of IACT who have taken time to provide guidance and feedback. As originally proposed, the bill would have eliminated nearly all local regulation of wireless towers. Thankfully, most of those provisions were removed by an author’s amendment in committee on Tuesday. What remains are provisions that:

- Speed up the time allowed for local units to approve or deny a new wireless tower construction application (from 150 days to up to 100 days);
- Provide for consolidated applications for multiple collocation requests and for small cell networks; and
- Provide a framework for uniform statewide applications for new towers, substantial modifications and collocation requests. The bill outlines what is considered a “complete” application. However, it leaves in place local discretion for what conditions to apply when approving or denying an application. This was a critical point for IACT.

IACT testified as neutral with a few remaining concerns. We are told by the author that the provision which prohibits units from setting height standard less than 200 feet will be amended out of the bill. Another area of concern is around limiting a unit’s ability to require setbacks or fall zones. In addition to the wireless permit provisions, this bill also changes how connectivity contracts between communication service providers are regulated. Many providers, including cable, expressed opposition to this change. We will continue working on all the details of this bill throughout session.

IACT Position: Neutral, with some concerns. We will continue working on this bill throughout session.

SBOA Bills That Propose Risk-Based & Needs-Based Audits in Committee

HB 1104 – State Board of Accounts (Lehman, R-Berne)

SB 326 – State Board of Accounts (Head, R-Logansport)

IACT has been in ongoing conversations with the State Board of Accounts (SBOA) regarding their funding and delay issues. The SBOA is requesting a fee increase from \$45 per day per auditor to \$175 per day per auditor. We are told a fee increase will be contained in the budget bill, which is always reserved to be HB 1001. HB 1104

and SB 326 are “sister bills” that give the SBOA authority to move to a “risk and needs-based” criteria for determining whether a unit receives an annual audit versus review. HB 1104 was heard in House Government and Regulatory Reform last Tuesday. We appreciate committee chair Kevin Mahan (R-Hartford) and house author Rep. Lehman, who agreed to hold the bill and work on an amendment with IACT. Our goal with the amendment is to further define “risk” and “needs” in the proposal and provide for greater transparency of the process. We have also asked for an opt-out provision, so that units may have the choice to hire a private firm to conduct the audit, if needed or desired. One especially important stipulation we requested was included in the Governor’s proposed budget, and provides for protection of the fees paid by units so that the state’s appropriation does not go down. HB 1104 will likely be amended and voted on in committee this week. SB 326 is scheduled for its first hearing on Tuesday in Senate Tax & Fiscal Policy.

IACT Position: IACT Board of Directors voted to support the fee increase, as long as certain assurances for funding levels by the state and quality audit needs are met.

AG’s Public Integrity Commission Moves Bill Requiring Bonds for Public Officials

SB 393 – Public Official Surety Bonds (Charbonneau, R-Valparaiso)

SB 393 is a recommendation from the Attorney General’s Public Integrity Commission. The bill requires units to purchase bonds to cover public officials and certain employees who have access to public funds. Many units purchase blanket bonds today that would cover these employees. The bills also requires units to file proof of the surety bonds with the State Board of Accounts. The bill passed out of Senate Local Government Committee by unanimous vote.

IACT Position: Support

Several Bills Filed on Annexation; Two Identified as Likely Vehicles for Reform

HB 1561 – Annexation (Truitt, R-West Lafayette)

SB 330 – Annexation (Boots, R-Crawfordsville/Head, R-Logansport)

Annexation was a hotly debated topic last session. The issue was assigned to an Interim Study Committee on Government, who met three times and issued a final report, which can be found at: <https://iga.in.gov/documents/2dde3759>. We anticipate this topic will receive a hearing in both [House Government & Regulatory Reform Committee](#) and in [Senate Local Government Committee](#), and IACT will be engaged in the debate once again. Our team is reaching out to legislators and interested parties to improve understanding and work through concerns. We will be working on proposed legislation throughout the legislative session to ensure cities and towns do not lose this critical ability and tool that is necessary for smart growth and proper planning.

Talk to your Legislators! We encourage you to talk to your legislators now. [Please read IACT’s Fact Sheet on Annexation for more misconceptions and facts.](#)

HB 1561 and SB 330 are the two most likely bills to move on annexation. HB 1561 established two different pathways for municipal annexation depending on whether the proposed territory is receiving municipal services already or not. If the territory is already receiving services, then there is no right to remonstrate. If the territory is not already receiving services, then the path for annexation includes: a more detailed fiscal plan, with comments required by the DLGF, and a six-month long community outreach by the municipality. In the case of possible agricultural land, it allows for the landowner to be re-zoned as agricultural before the annexation ordinance is adopted. It also changes the threshold for remonstrance from 65% to 60% of landowner signatures required to file a remonstrance petition and requires the municipality to pay attorney fees up to \$20,000 if the remonstrators prevail in court. It prohibits the municipality from amending its fiscal plan after a remonstrance petition is filed, unless both

parties agree. The bill also allows the municipality to seek remonstrance waivers on any service provided, not just sewer.

SB 330 contains newer concepts that IACT is reviewing. The bill changes the municipal annexation and remonstrance process, requiring municipalities to obtain a minimum of 51% signatures of the owners of land in the proposed territory to be annexed or the owners of more than 60% in assessed valuation of land (excluding land exempt from property taxes) before the annexation may proceed. The petition would be filed with a court. Once the court finds that the petition has a sufficient number of signatures, a hearing must be conducted to review the annexation and fiscal plan. SB 330 also allows for noncontiguous annexation for economic development, which must occur within three years.

Other bills on Annexation include:

[SB 53](#) – Approval of Annexation Agreements (Buck, R-Kokomo)

[SB 221](#) – Annexation (Buck, R-Kokomo)

[SB 222](#) – Annexation (Buck, R-Kokomo)

[HB 1268](#) – Annexation (Cherry, R-Greenfield)

IACT Position: Municipal annexation (sometimes called involuntary annexation) must continue and is critical for smart growth and proper planning. IACT will be working on this issue for cities and towns throughout session.

Bill Requires State Approval of Local Ordinances on Building & Housing Safety

[HB 1300](#) – Ordinances Related to Building & Housing Laws (McMillin, R-Brookville)

This bill requires any local ordinances that regulate building safety, including smoke detector-related ordinances, be submitted within 30 days of adoption and approved by the state's Fire Prevention and Building Safety Commission, under the Department of Homeland Security. The ordinance would not be considered valid until it is approved by the Commission. The bill also prohibits local units from adopting an ordinance that requires (or would have the effect of requiring) a landlord to participate in a Section 8 program of the federal Housing Act of 1937 or a similar program concerning housing.

IACT Position: Opposed

Bill Expands Jurisdiction for City and Town Courts in Lake County

[HB 1307](#) Lake County City and Town Court Jurisdiction (Fine, R-Highland)

Representative Bill Fine's HB 1307 passed out of the House Courts and Criminal Code committee on Wednesday. IACT testified in support of the bill which increases the maximum civil jurisdiction from an amount in controversy of \$3,000 to an amount in controversy of \$6,000 for the following courts: East Chicago, Gary, Hammond, Hobart, and Merrillville. An amendment was added in committee to include the City of Crown Point court as well. The bill now moves to second reading in the House.

IACT Position: Support

[Read a news brief about HB 1307](#)

PERF Mandated for Town Marshals and Deputies

[SB 419](#) Town Marshals (Boots, R-Crawfordsville; J. Arnold, D-LaPorte)

A hearing was held on Wednesday and an amended bill passed out of the Senate Pensions Committee. The original bill provided that, after June 30, 2015, a town law enforcement officer who is not a member of the 1977 police officers' and firefighters' pension and disability fund and had successfully completed the minimum basic training requirements for town law enforcement officers must become a member of the public employees' retirement fund (PERF). The town's employer's share of PERF is at 11.2% of the town marshals/deputies' salary. The original bill also provided that the president of the town legislative body would appoint the town marshal, who would then serve at the pleasure of the president. The Committee first voted to remove the provisions about the appointment of and service to of the town marshal to the town council president. After further information by IACT as to the towns that might have a fiscal impact because of this unfunded mandate to be in PERF, the Committee further amended the bill to delay the effective date of the bill to 2016 since 2015 budgets have been set. Additionally, Chairman Boots said that he would seek a 2nd Reading amendment on the floor of the Senate so that mandatory PERF membership would apply only to full-time town marshals and deputies. Towns with a negative fiscal impact from this bill will need to contact their legislators to ask them to vote no. The Town Marshals Association asked for this bill as a step to professionalize the town marshal system.

IACT Position: Opposed as an unfunded mandate

[Find out if your town could be impacted.](#)

Water Certification Examinations Set to be More Accessible

HB 1350 Environmental Variances and Other Matters (Wolkins, R- Winona Lake)

HB 1350 was heard in the House Committee on Environmental Affairs on Wednesday where it was held without a vote to address concerns brought up during testimony. This bill impacts municipalities in two areas. First, it allows the Indiana Department of Environmental Management (IDEM) to authorize independent third parties to administer certain water treatment plant operator and water distribution system operator certification examinations throughout the state to be more convenient for those required to take the yearly certification exams. Second, it authorizes IDEM to require documents or information to be submitted electronically unless the person submitting the documents or information can demonstrate it would result in an undue hardship or burden for the person.

IACT Position: Neutral

Two Bills Mandate Cities and Towns to Publish Notices in Newspapers Once Again

[SB 288](#) Local Government Budget Notices (Glick, R-La Grange)

[HB 1527](#) Publication of Proposed Budgets (Borders, R-Jasonville)

Last legislative session, IACT worked to get HEA 1266 (2014) passed into law which, beginning in 2014 for 2015 budgets, ended the costly mandate that cities and towns publish certain notices in local newspapers. Instead, cities and towns now must upload this information to the Department of Local Government Finance's Gateway system for public viewing beginning in 2015 for 2016 budgets. This is a great example of how technology can help local governments save taxpayer money.

Both HB 1527 and SB 288 are efforts to reinstate the mandate that cities and towns publish certain notices in the newspapers two times in two different newspapers in the community. Please contact your legislators today and ask them to oppose any efforts to require locals to publish certain notices in newspapers once again. Not sure who represents you at the Statehouse? Click on the following link to find your legislator:

<http://iga.in.gov/legislative/find-legislators/>.

IACT Position: Oppose

Transparency Bill Passes Out of Committee

SB 369 Political Subdivision Information on the Internet (Pete Miller, R-Avon)

SB 369 requires political subdivisions and school corporations to provide information to the Department of Local Government (DLGF) for posting on the Indiana transparency website. The DLGF is required to publish an annual summary of each political subdivision's financial operations and conditions, which may include data on the political subdivision's total operating budget, number of full and part-time employees and outstanding indebtedness and interest paid on indebtedness. Political subdivisions are required to post a link to their individual reports on their internet websites only if the political subdivision has an internet website. SB 369 was passed out of the Senate Committee on Local Government on Wednesday.

IACT Position: Support

Customers Lose When Municipal Electrics Lose Flexibility

SB 309 (Crider, R-Greenfield)

This bill provides that after May 12, 2015, a municipality that owns and operates an electric utility is prohibited from petitioning the Indiana Utility Regulatory Commission (IURC) to change the boundaries of the municipality's electric service area to include the annexed area. Of 569 municipalities in Indiana, only 72 own their local electric utility. When municipal electric communities grow, they must go through a process at the IURC if they want to change their electric territories and provide electric service to residents in the newly annexed area. However, the Rural Electric Cooperatives and Investor Owned Utilities believe they should be entitled to provide electric service to the newly annexed territory, despite the fact that the municipality would provide all other services such as water, sewer, fire, police and roads. Such an arrangement could be costly not only to the residents living in the newly annexed area, but to businesses and potential economic development as well. Under SB 309, there is no recourse for a customer who prefers to be served by a municipal electric if the incumbent electric provider is unwilling to come to a mutual agreement with the municipal electric. IACT anticipates this bill will be heard in the Senate Committee on Utilities in the coming weeks. For more information on this subject, visit the Indiana Municipal

IACT Position: Oppose

More Flexibility Provided to Locals in Requirement to Publish Certain Notices

HB 1013 Publication of Notice by Political Subdivisions (Torr, R-Carmel)

This bill provides that in certain circumstances, a city or town may publish notice in a locality newspaper that circulates in the city or town instead of in a newspaper that is published in the county and circulates in the political subdivision. A locality newspaper is defined as a publication that: (1) Is regularly issued at least one time per week; (2) Contains in each issue news of general or community interest, community notices, or editorial commentary by different authors; and (3) Has, in more than one-half of its issues published during the previous 12-month period, not more than 75% advertising content. This provides added flexibility to city and towns could save taxpayer dollars.

IACT Position: Support

Pension Liability Provisions Set

HB 1466 Winding up Plan Participation (Carbaugh, R-Fort Wayne)

The House Employment, Labor and Pension Committee held a hearing, amended and passed the amended version of HB 1466. This bill was referred to as the bill that “solves the bailout problem of last summer”. Certain employers that were eligible but not required to participate in the public employees' retirement fund (PERF) had started offering their new employees a Defined Contribution Plan (like a 401k plan) instead of PERF's Defined Benefit Plan thus “freezing” participation in PERF. The amended bill that passed provides that an employer that is eligible, but not required to participate in (PERF), must pay the employer's share of the unfunded liability attributable to the employer's current and former employees if the employer withdraws from PERF or otherwise phases out its participation in PERF. The original bill had mandated a Defined Contribution Plan for new employees after the PERF participation freeze but the mandate language was removed.

IAC Position: Support to aid a more secure pension fund

Changes to PERF Pension Plan Offerings; Defined Contribution Plan

HB1481 Public Retirement Plans (Burton, R-Greenwood)

Currently PERF offers local government employees a Defined Benefit Plan that has a component providing the participant with a monthly benefit at retirement with usually no cost to the participant and another component part from the participant's contribution in an annuity savings account. After discussion and amendment the bill provides that a political subdivision that participates in the public employee retirement fund (fund) may participate in the public employees defined contribution plan (plan), if the governing body adopts an ordinance or resolution that is filed with and approved by INPRS. It also provides that an individual who begins employment in a covered position with a political subdivision that participates in the plan may elect to become a member of the plan. It provides that, if an individual does not make an election to become a member of the plan, the individual becomes a member of the fund. It also establishes the teacher's defined contribution plan and provides that a school corporation may adopt a resolution to have some or all of its teachers participate in the teacher's defined contribution plan. Additionally the bill grants cost of living adjustments in 2015 and 2016 for certain members of the: (1) public employees' retirement fund; (2) Indiana state teachers' retirement fund; (3) state police pre-1987 benefit system; and (4) state police 1987 benefit system. Note the cost of living formula in this bill is believed different than what was passed onto the House floor in HB 1493 also heard in Committee.

IAC Position: Investigating and supporting flexible options

For more information on these and other bills, please contact Rhonda Cook at rcook@citiesandtowns.org and she will direct you to the appropriate legislative team member.

Save the Date! Statehouse Road Funding Day Set for March 17

IAC is partnering with several other associations to continue to educate lawmakers on the need to bridge the road-funding gap experienced by cities and towns by holding a Road Funding Day at the Statehouse on March 17. IAC's Legislative Day is scheduled the day before, so IAC is encouraging members to stay the night in Indianapolis in order join IAC and our partners on March 17. More information to come!

2015 Legislative Dates & Deadlines

Thursday, February 19

Deadline for committee reports in house of origin

Tuesday, February 24

2nd Reading deadline in house of origin

Wednesday, February 25

3rd Reading deadline in house of origin

Thursday, April 9

Deadline for committee reports in second house

Tuesday, April 14

2nd Read deadline in second house

Wednesday, April 15

3rd Reading deadline in second house and concurrence deadline for conference committee reports

Wednesday, April 29

Last day of session

